

TO: Board Members

THROUGH: Kevin Patteson, Executive Administrator
John Steib, Chief Deputy Executive Administrator
Robert E. Mace, Ph.D., P.G., Deputy Executive Administrator, Water Science and Conservation
David Carter, Manager, Contracting and Purchasing

FROM: Sanjeev Kalaswad, Ph.D., P.G., Team Lead, Innovative Water Technologies

DATE: January 7, 2014

SUBJECT: Authorization to Publish a Request for Applications for Demonstration Projects for Near-Term Alternative Water Supplies

ACTION REQUESTED

Authorize the Executive Administrator to publish in the *Texas Register* a Request for Applications for Demonstration Projects for Near-Term Alternative Water Supplies.

BACKGROUND

The 83rd Texas Legislature appropriated \$3,000,000 from General Revenue to the Texas Water Development Board (TWDB) to fund grants for demonstration projects for near-term alternative water supplies (Senate Bill 1, General Appropriations Act, 2013 Legislature, Regular Session, page VI-61, Rider 21):

Out of funds appropriated above in Strategy A.2.2., Water Resources Planning, the Water Development Board shall allocate \$3,000,000 in fiscal year 2014 out of General Revenue, to fund grants for the construction of water reuse, aquifer storage and recovery or any other demonstration projects that will create new water supplies or otherwise increase the availability of water through use of innovative storage approaches that improve operational efficiencies. Such projects should be targeted to provide cost-effective water supplies within the next five years, and provide regional benefits estimated to increase by at least 10 percent the overall amount of reliable water supply that can be made available within a region to help meet the various competing demands for water, including those of agricultural, industrial, municipal and others.

The Water Development Board shall award the grants through a competitive process, which would require grant applicants to provide matching funds. Any unexpended balances as of August 31, 2014 out of appropriations made herein are appropriated to the Water Development Board for the same purpose for the fiscal year beginning September 1, 2014.

Our Mission : Board Members

To provide leadership, planning, financial assistance, information, and education for the conservation and responsible development of water for Texas

Carlos Rubinstein, Chairman | Bech Bruun, Member | Mary Ann Williamson, Member
Kevin Patteson, Executive Administrator

KEY ISSUES

To implement the \$3,000,000 grant, staff proposes publishing a Request for Applications in the *Texas Register* for demonstration projects that within the next five years will result in new cost-effective water supplies or otherwise increase the availability of water through the use of innovative storage approaches that improve operational efficiencies. Details of the Request for Applications are provided in Attachment A and guidelines are provided in Attachment B.

Applications for funding can be submitted in three alternative water supply categories: water reuse, aquifer storage and recovery, and other strategies that can create new water supplies or increase the availability of existing water. All applications received will be assigned to one of the three categories and assessed and ranked in that category by a review panel. One or several projects may be funded in each category. At the discretion of TWDB, the level of funding in each category may be modified based on the proposals received. In the event that acceptable applications are not received, the Board retains the right not to award contract funds. Any unspent balances as of August 31, 2014 will be available for the same purpose for the fiscal year beginning September 1, 2014.

Applicants awarded grants will be required to provide matching funds. Consistent with similar funding programs administered by TWDB, applicants will be expected to provide a dollar-for-dollar matching contribution for each project selected. When completed, all funded projects will be expected to provide cost-effective water supplies within the next five years and provide regional benefits estimated to increase by at least 10 percent the overall amount of reliable water supply that can be made available within a region to help meet the various competing demands for water.

Because of the nature of funding (General Revenue), funds that are committed and encumbered in appropriation year 2014 will need to be spent by August 31, 2016. Similarly, funds that are committed and encumbered in appropriation year 2015 will need to be spent by August 31, 2017.

RECOMMENDATION

The Executive Administrator recommends approval of this item.

This recommendation has been reviewed by legal counsel and is in compliance with applicable statutes and Board rules.

Les Trobman
General Counsel

Attachments: A. Request for Applications
B. Guidelines for Request for Applications

Attachment A

(To be published in the *Texas Register*)

Texas Water Development Board

Request for Applications for Demonstration Projects for Near-Term Water Supplies

The Texas Water Development Board (TWDB) solicits Request for Applications from interested parties for the construction of water reuse, aquifer storage and recovery, or any other demonstration projects that will create new water supplies or otherwise increase the availability of water through use of innovative storage approaches that improve operational efficiencies. Such projects should be targeted to provide cost-effective water supplies within the next five years and provide regional benefits estimated to increase by at least 10 percent the overall amount of reliable water supply that can be made available within a region to help meet the various competing demands for water, including those of agricultural, industrial, municipal, and others. The total amount of the grants to be awarded under this request for applications by the TWDB shall not exceed \$3,000,000.

Grant Amount

The total grant amount for all projects shall not exceed \$3,000,000. Because of the nature of funding (General Revenue), funds that are committed and encumbered in appropriation year 2014 will need to be spent by August 31, 2016. Similarly, funds that are committed and encumbered in appropriation year 2015 will need to be spent by August 31, 2017. Funds will be awarded through a competitive statewide grants process.

Application Review

All applications received will be grouped into one of three categories: water reuse, aquifer storage and recovery, and other strategies that can create new water supplies or increase the availability of existing water. Applications will be assessed, scored, and ranked in each category by a review panel.

Applications will be evaluated in accordance with 31 Texas Administrative Code §355.5 and may include the following factors:

- Overall approach and organization
- Methodology
- Qualifications and resources
- Organization and management
- Reports and deliverables
- Assessment of proposer's ability to perform and complete the project

In addition to the general information required as part of a TWDB Request for Applications, proposals must include evidence of financial commitment from the applicant for a dollar-for-dollar cost sharing in the project and a sufficiently detailed description of the process to determine that a 10 percent increase in the overall amount of reliable water supply in the region will result from the project within the next five years.

The applicable scope of work, schedule, and contract amount will be negotiated after the TWDB selects the most qualified applicants or the desired projects for funding. Failure to arrive at mutually agreeable terms of a contract with the most qualified applicant shall constitute a rejection of the Board's offer and may result in subsequent negotiations with the next most qualified applicant. The TWDB reserves the right to reject any or all applications if staff determines that an application does not adequately meet the required criteria or if the funding available is less than that requested.

Deadline for Submission of Applications

Six double-sided, double-spaced copies on recycled paper and one digital copy (CD) of a completed application must be filed with the TWDB on or before 12:00 p.m. on April 30, 2014. Applications can be directed either in person to David Carter, Texas Water Development Board, Stephen F. Austin Building, Room 610D, 1700 North Congress Avenue, Austin, Texas, 78701; or by mail to David Carter, Texas Water Development Board, P.O. Box 13231-Capitol Station, Austin, Texas 78711-3231.

Les Trobman, General Counsel
Texas Water Development Board

Attachment B
Texas Water Development Board
Guidelines for Request for Applications

I. GENERAL INFORMATION

1. Legal name of applicant(s).
2. Legal name of each participant.
3. Applicant's Official Representative, Name, Title, Mailing Address, Phone Number, Fax Number, if available, e-mail Address, and Vendor ID Number.
4. Is the application in response to a Request for Statement of Qualifications in the Texas Register?
Yes ☐ No ☐
5. If yes to number 4 above, list document's number and date of publication of the Texas Register.
6. A brief description of the project (not to exceed 1 page).
7. A list of potential users and their possible involvement with the project.
8. Are you an individual member of the Texas Water Development Board, a Board staff member, or a member of their immediate families?
Yes ☐ No ☐
9. Please include a completed Historically Underutilized Business Subcontracting Plan. The forms are available at: <http://www.window.state.tx.us/procurement/prog/hub/hub-subcontracting-plan/>

II. PROJECT INFORMATION

- Explanation of why this project is needed (not to exceed 1 page).
- A detailed scope of work describing each task, a percent of effort per each task, a time schedule for each task, and the amount of time each team member will spend on the project (not to exceed 10 pages using Times Roman 12 font).
- A description of project-monitoring procedures.
- Qualifications and experience of project staff that are directly related to this project only and that are no more than 2 pages in length per person.
- A list of products (reports, plans, or other products) that the Board will receive as a result of this project.

III. WRITTEN ASSURANCES

Written assurance of the following items:

- Proposed project does not duplicate previously completed or ongoing project;
- If the contract is awarded to the applicant, the applicant agrees to discontinue existing contracts and not enter into new contracts with persons or entities other than TWDB and regional water planning groups for groundwater supply and availability studies involving the study area while working on the TWDB project without a prior no conflict of interest determination by TWDB and written authorization by TWDB.